GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4909
ANSWERED ON:16.12.2016
Benefits of Demonetisation
Chaudhury Shri Jitendra;Mullappally Shri Ramachandran;Singh Shri Lallu;Singh Shri Sunil Kumar

Will the Minister of FINANCE be pleased to state:

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UN STARRED QUESTION NO. 4909
TO BE ANSWERED ON 16TH DECEMBER 2016/25TH AGRAHAYANA SAKA, 1938
BENEFITS OF DEMONETISATION

4909. SHRI LALLU SINGH:
SHRI JITENDRA CHAUDHURY:
SHRI MULLAPPALLY RAMACHANDRAN:
SHRI SUNIL KUMAR SINGH:
QUESTION
Will the Minister of FINANCE be pleased to state:
(a) whether the Government has taken expert opinion of a favourable outcome of demonetisation in the long run for the economy and reduction in economic disparity in the country, if so, the details thereof;
(b) whether the Government has received support from other countries in this regard, if so, the details thereof;
(c) whether the Government machinery has faced difficulties to solve the cash woes of people post implementation of the demonetisation policy, if so, the details thereof and the reasons therefor; and
(d) the amount of black money seized/withdrawn from the market and offenders punished as on date after the demonetisation drive?

Answer

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

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(a): The overall economic growth of the Indian economy is dependent on many factors that, iter-alia, include the rate of capital formation and savings, utilization of technology, availability of infrastructure, efficiency of resource allocation, quality of institutions, governance and the policy framework in place, money supply and degree of financial development. Further, the situation after the cancellation of legal tender character of old denomination banknotes is being regularly monitored in the Government.
(b): Diplomatic Missions have written to convey their appreciation for the Government"s recent effort to make our economy more transparent and as a move that will also have a positive impact on FDI.
(c): Reserve Bank of India (RBI) and the Banks have been advised to step up the supply of cash to the public. The availability of cash and issuance of cash to bank branches and Post Offices on a daily basis is being constantly monitored and necessary rebalancing is being done for more efficient allocation of banknotes of requisite denominations between different areas. Further, on the basis of feedback/suggestions received from various quarters, Government has taken various steps to ameliorate the inconvenience caused to the public, the information regarding which is available at finmin.nic.in
(d): About Rs. 370 crores of cash and jewellery has been seized by the Income Tax Department since the cancellation of legal tender character of old high denomination banknotes. The total undisclosed income admitted before the Department is more than Rs. 2500 cores. Close coordination is being maintained with other enforcement agencies for action against the offenders as an on-going process which includes searches, surveys, enquiries, tax assessment, levy of penalties and filing of prosecution complaints in criminal courts, wherever applicable.
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